

Supporting America's Innovators Act

Senators Heitkamp and Heller

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This bill increases the limit on the number of investors who can invest in certain venture capital funds without being subject to registration with the SEC. Section 3(c)(1) of the 1940 Act exempts from registration private investment funds owned by not more than 100 qualifying investors. Under the bill, a qualifying venture capital fund, as defined in the bill, may be exempt so long as it owned by not more than 250 accredited investors. This threshold has not been updated since adoption of the 1940 Act.

The expansion of investors for venture capital-type funds would help provide greater access to capital for small businesses, as well as to allow more accredited investors to participate in venture investments in small enterprises, especially in rural America, where high dollar investors are harder to come by. This bill does not change the accredited investor requirements.

The Supporting America's Innovators Act was introduced in the 114th Congress as H.R. 4854 and passed the House by a vote of 388 to 9 on July 5, 2016.

Supportive Organizations

Internet Association

AngelList

Angel Capital Association

Center for American Entrepreneurship

Technet